amount received from these sources during the said period while having the maximum amount in the reserve?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI V. DHANANJAYA KUMAR): (a) India's foreign exchange reserves, including gold and SDRs, as on February 18, 2000 amounted to US $ 35193 million, which is considered adequate, judged in terms of critical indicators such as, import cover of reserves and debt service payments.

(b) During the first ten months (April 1999 to Janaury 2000) of the financial year 1999-2000, the level of foreign exchange reserves was maximum at US $ 35170 million on January 21, 2000 and it was minimum at US $ 32535 million on April 1, 1999.

(c) Movements in foreign exchange reserves reflect the net outcome of inflows and outflows of foreign exchange on account of transactions in the current and capital accounts of India's balance of payments. Therefore, it is not possible to establish one-to-one correspondence between changes in reserves and movement in each of these transactions. However, it can be stated that the build up of foreign exchange reserves in the current financial year so far has been made possible largely because of sharp recovery of exports, buoyancy in invisible receipts, sharp turnaround in portfolio investments by Foreign Institutional Investors (FIIs) and signficant net accretions to Non-Resident Indian (NRI) deposits.

Permission to Banks for Entering into insurance Sector

522. DR. MOHAN BABU: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Reserve Bank of India guidelines prohibit the banks to enter into the insurance sector;

(b) if so, whether a proposal to grant permission to the banks to enter into the insurance sector is under consideration of the Government; and

(c) if so, what are the compelling reasons that led to violate RBI guidelines?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI V. DHANANJAYA KUMAR): (a) to (c) The Insurance Regulatory and Development Authority (IRDA) Act provides for insurance business to be taken up by the firms/companies registered under the Companies Act. As none of the public sector banks have been set up under Companies Act, Insurance Business can be taken up provided banks set up joint ventures or subsidiaries under Companies Act and the activity is included as permissible under Section-6 of the Banking Regulation Act, 1949.

Reserve Bank of India's draft guidelines have been issued keeping in view the provisions of IRDA Act in order to ascertain the views of banks and financial institutions.

Smuggling of Drugs at IGI Airport, Delhi

†523. SHRI JANESHWAR MISRA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that incident of smuggling of drugs at Indira Gandhi International Airport have become very common;

(b) if so, the number of such incidents happened during the last one year;

(c) the number of cases in which offenders were punished; and

(d) whether Government would form a consolidated agency to check the smuggling of drugs and usage thereof in the country?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI V. DHANANJAYA KUMAR): (a) and (b) Since 1st April, 1999 till date 25 cases of smuggling of drugs have been detected at Indira Gandhi International Airport.

(c) In 12 cases, prosecution proceedings under the NDPS Act have been launched. No one has been punished.

(d) Narcotics Control Bureau is already in existence as a Central

†Original notice of the Question received in Hindi.